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January 13, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TWB-204
Washington, D.C. 20554

RE: Ex Parte Meeting
In the Matter of Applications for Transfer of Control to AT&T Corp. ("AT&T") of Licenses and Authorizations Held by Tele-Communications, Inc. ("TCI")
CS Docket No. 98-178

Dear Ms. Roman Salas:

Enclosed, at the request of Commission staff, is a copy of the Proxy Statement and Prospectus filed by AT&T with the Securities and Exchange Commission on January 8, 1999. This document provides AT&T's shareholders with the information needed by them in order to make an informed decision on whether to approve the proposed merger of AT&T and TCI. In this Proxy Statement and Prospectus, the risks relating to the merger are detailed in a manner which is appropriate for such a filing. Of equal importance are the sections (e.g., page 31) in which the reasons for the merger and its likely impact on AT&T's business are discussed. In these sections, AT&T makes it clear that it believes that (1) it will become a fully-integrated residential communications services provider in TCI service areas, including the ability to provide long distance, video, local wireless, Internet and other data services on a packaged, as well as individualized, basis; (2) the merger will enable AT&T to significantly accelerate its entry into residential local telephony; and (3) the merger will further the goals of the Telecommunications Act of 1996 by offering consumers significant new choices and fostering local exchange competition. Finally, it notes that AT&T expects to be able to provide a competitive facilities-based local telephone service to residential consumers on a schedule that greatly exceeds the pace at which AT&T or TCI independently could provide such service.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Betsy J. Brady

cc: Royce Dickens

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

EXHIBITS

TO

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

AT&T Corp.

(Exact name of Registrant as specified in its charter)

EXHIBIT INDEX

Exhibit No.	Document Description	Page No.
2.01	Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998, among the Registrant, Italy Merger Corp. and Tele-Communications, Inc. ("TCI") (the "Merger Agreement") (included as Appendix A to the Proxy Statement/Prospectus). The Registrant agrees to furnish supplementally a copy of any omitted schedule to the Commission upon request.	
2.02	Terms of Tax Sharing Agreement between the Registrant and TCI.	
2.03	Form of Certificate of Incorporation and Bylaws of Liberty Media Corporation.	
2.04	Form of Contribution Agreement.	
2.05	Form of LLC Agreement of Liberty Media Group LLC.	
2.06	Intercompany Agreement Principles.	
2.07	Certain Terms of Inter-Group Agreement.	
2.08	Voting Agreement, dated as of June 23, 1998, and amended and restated as of October 9, 1998, among the Registrant, Dr. John C. Malone and Leslie Malone.	
4.01	No instrument which defines the rights of holders of long term debt, of the Registrant and all of its consolidated subsidiaries, is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the Registrant hereby agrees to furnish a copy of any such instrument to the Commission upon request.	
5.01	Opinion of Robert S. Feit, General Attorney and Assistant Secretary of the Registrant, as to the legality of the securities being registered.	
8.01	Opinion of Wachtell, Lipton, Rosen & Katz as to certain U.S. federal income tax matters.*	
8.02	Opinion of Baker & Botts, L.L.P. as to certain U.S. federal income tax matters.*	
23.01	Consent of Robert S. Feit (included in Exhibit 5.01).	
23.02	Consent of Credit Suisse First Boston Corporation.	
23.03	Consent of Goldman, Sachs & Co.	
23.04	Consent of Donaldson, Lufkin & Jenrette Securities Corporation.	
23.05	Consent of PricewaterhouseCoopers LLP.	
23.06	Consent of KPMG LLP.	
23.07	Consent of KPMG LLP.	
23.08	Consent of KPMG LLP.	
23.09	Consent of KPMG LLP.	
23.10	Consent of KPMG LLP.	
23.11	Consent of KPMG Audit Plc.	
23.12	Consent of Deloitte & Touche LLP.	
23.13	Consent of KPMG LLP.	
23.14	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.01).	
23.15	Consent of Baker & Botts, L.L.P. (included in Exhibit 8.02).	
24.01	Powers of attorney.	
99.01	Form of Proxy Card to be used in connection with the Special Meeting of Shareholders of the Registrant.	
99.02	Form of Proxy Card to be used in connection with the Special Meeting of Shareholders of TCI.	

* To be filed by a post-effective amendment upon consummation of the Merger.

EXHIBIT 2.02

Exhibit 2.02

Terms of Amendment to Tax Sharing Agreement

1. Separation of Groups Based Upon Investor Groups. The Liberty Group shall consist of all assets tracked by the Parent Liberty Tracking Shares and, for periods prior to Closing, the Liberty Media Tracking Shares or the TCI Ventures Tracking Shares. The AT&T Group shall consist of AT&T and all assets tracked by the AT&T shares other than the Parent Liberty Tracking Shares. The Parent Group shall mean the AT&T consolidated group for federal income tax purposes. The TCI Group shall mean the Company consolidated group for federal income tax purposes prior to the Closing Date. The C Group shall mean the TCI Group other than the Liberty Group.

2. Tax Sharing Payments. For each period for which tax is computed, the Parent Group tax liability (including estimated tax liability) shall be computed in the manner described herein as if the Liberty Group were not included in the Parent Group, and the hypothetical tax liability thus computed shall be compared with the actual Parent Group tax liability. Any items arising from or relating to (i) TCI Wireless Holdings Inc. or any of its direct or indirect assets or subsidiaries or (ii) the contemplated disposition of certain assets in exchange for stock of General Instruments or the subsequent disposition of such stock or (iii) any deferred intercompany transactions accelerated or otherwise brought into income as the result of any deconsolidation of the Liberty Group or the liquidation of Enc/Stz shall be for the account of the Liberty Group. To the extent the inclusion of the Liberty Group in the Parent Group has increased or decreased the tax liability of the Parent Group for the period, appropriate payments shall be made between the AT&T Group and the Liberty Group to compensate the Parent Group for increased tax liability or the Liberty Group for decreased tax liability of the Parent Group. The foregoing determination shall be made on a cumulative basis going forward from the Closing Date and incremental increases or decreases shall be compensated by payments that are due and payable a reasonable amount of time before payments (including estimated tax payments) actually are due to tax authorities. Without the prior written consent of AT&T, or unless the Liberty Group agrees to assume the tax burden thereof, the Liberty Group shall not take any action that would cause a material acceleration of income under any "deferred intercompany transaction" or "intercompany transaction" that is disclosed in Part 2 of Section 5.10(b) of the Company Disclosure Statement.

3. State, Local and Foreign Tax Sharing Payments. The principles set forth in paragraph 2 shall apply to any consolidated, unitary or combined return which includes one or more members of the Liberty Group and one or more members of the AT&T Group for state, local and foreign tax purposes. All tax returns including only members of the Liberty Group shall be the responsibility of the Liberty Group; provided that the Liberty Group timely files such tax returns and pays the taxes due with respect thereto.

4. Intercompany Transactions. The consolidated return Treasury Regulations and the consolidated tax returns filed by the Parent Group and the TCI Group pursuant to the Tax Sharing Agreement shall determine the timing of the recognition of income, gain, or loss from "deferred intercompany transactions" and "intercompany transactions" and the determination of which member of the Parent Group shall bear the tax benefit or burden of such income, gain, or loss from such transactions. Subject to paragraph 2 above, the AT&T Group and the Liberty Group shall be responsible for income, gain or loss recognized by members of their respective groups for purposes of computing tax sharing payments under the Tax Sharing Agreement.

5. Taxable Periods Prior to the Closing Date.

a. The intercompany accounts reflecting the obligation of the Liberty Group (approximately $237 million) for periods prior to the Closing Date under the 1995 Tax Sharing Agreement shall be paid by the Liberty Group at such time, if any, that the Liberty Group deconsolidates from the Parent Group for federal income tax purposes. For taxable periods ending prior to or on the Closing Date governed by the 1997 Tax Sharing Agreement, the following rules shall apply: (i) NOL carryovers, current losses and other tax attributes available to the TCI Group may be used by the Liberty Group and the C Group without compensation to the

group generating such attributes; (ii) if the TCI Group generates an actual regular tax liability, the portion attributable to the Liberty Group shall be paid to the Company a reasonable period of time prior to the date such liability is payable to the government; (iii) if the TCI Group generates only actual alternative minimum tax liability, the Liberty Group shall be required to pay the C Group for any alternative minimum tax losses generated by the C Group that reduce such liability, and the C Group shall be required to pay the Liberty Group for any alternative minimum tax losses generated by the Liberty Group that reduce such liability, and (iv) if the TCI Group generates only actual alternative minimum tax liability, except as provided in clause (iii) above, the Liberty Group shall not be required to pay its share. All "Benefit Tracking Accounts" and "AMT/Regular Tax Adjustments" under the 1997 Tax Sharing Agreement shall be eliminated as of the Closing Date.

b. Returns of the TCI Group for periods ending on or prior to the Closing Date shall be prepared by the TCI Group, and shall be forwarded to AT&T for review prior to filing. Such returns shall be prepared on a basis consistent with prior periods except insofar as changes in law require a change in reporting.

c. From and after the Closing Date, the Liberty Group shall have the right to control in all respects all tax audits, examinations, controversies or litigation ("Tax Proceedings") with respect to any member of the TCI Group with respect to any taxable period ending on or prior to the Closing Date; provided, however, that (i) AT&T shall be entitled to participate in any such Tax Proceeding at its expense, (ii) the Liberty Group shall keep AT&T updated and informed, and shall consult with AT&T, with respect to any contested item, (iii) the Liberty Group shall act in good faith with a view to the merits in connection with the Tax Proceeding and (iv) any proposed settlement shall require the consent of AT&T, which shall not be unreasonably withheld.

d. Subject to 6.a. below, in the event that there is an examination adjustment to any tax item of the TCI Group for taxable periods ending prior to or on the Closing Date, the tax benefit or tax burden of such adjustment shall be attributed to the AT&T Group if such tax item was an item attributable to a member of the AT&T Group and shall be attributed to the Liberty Group if such tax item was an item attributable to a member of the Liberty Group.

6. Post-Closing Date Matters.

a. To the extent that the TCI Group has a regular tax net operating loss ("NOL") as of the first day of its first taxable year following the Closing Date, after giving effect to income, loss, audit adjustments and the effect of acts occurring in connection with the Merger Agreement, (i) such NOL (the "Liberty Group Allocated NOL") shall be available and allocated exclusively to the Liberty Group to offset, without charge, any obligations it may incur for periods ending after the Closing Date and (ii) the Parent Group shall pay to the Liberty Group, upon any deconsolidation of the Liberty Group from the Parent Group for federal income tax purposes, an amount equal to the product of (A) the amount of any Liberty Group Allocated NOL that has not previously been used as an offset pursuant to clause (i) above and that has been, or is reasonably expected to be, utilized by the AT&T Group and (B) 35 percent. To the extent that the TCI Group has an alternative minimum tax credit carryover or other carryover (other than regular tax NOL) as of the first day of its first taxable year following the Closing Date, after giving effect to income, loss, audit adjustments and the effect of acts occurring in connection with the Merger Agreement, such carryover shall be available and allocated exclusively to the C Group to offset, without charge, any obligations it may incur for periods ending after the Closing Date.

b. With respect to each taxable year ending on or after the Closing Date, the Liberty Group shall provide a tax package to AT&T relating to its activities no later than the date required by AT&T of its Significant Subsidiaries. Such package shall (i) be prepared by a nationally recognized accounting firm (the "Package Preparer") mutually reasonably satisfactory to AT&T and the Liberty Group, (ii) take no position with a likelihood of success under the law that is less than 33⅓ percent and include an opinion of the Package Preparer to such effect, and (iii) include a list prepared by the Package Preparer of all positions taken that are not more likely than not to succeed under the law and an analysis of the issues raised by each such position.

The Parent Group tax return shall be prepared on the basis of such tax package; provided, however, that in the case of any position taken therein (a "Package Position") with which AT&T disagrees, (x) a neutral mutually reasonably satisfactory nationally recognized law firm shall opine as to whether the Package Position has a likelihood of success under the law that is less than 33⅓ percent and (y) the Parent Group shall take the Package Position for such period in its tax return if such law firm opines that such likelihood is at least 33⅓ percent and shall otherwise take any position that AT&T deems reasonable in lieu of the Package Position; provided, further, however, that AT&T shall have sole discretion to make all decisions with respect to any election, accounting method or other position that, if applicable, would be required to apply to each member of the Parent Group.

c. With respect to taxable years ending after the Closing Date, AT&T shall have the right to control in all respects (including settlement) all Tax Proceedings with respect to any member of the Liberty Group; provided, however, that (i) the Liberty Group shall be entitled to participate in any such Tax Proceeding at its expense, insofar as its tax liabilities are concerned, (ii) AT&T shall keep the Liberty Group updated and informed, and shall consult with the Liberty Group, with respect to any tax item of the Liberty Group that is a subject of such Tax Proceeding (a "Contested Liberty Group Item"), (iii) AT&T shall act in good faith with a view to the merits in connection with the Tax Proceeding and (iv) without limiting in any respect AT&T's right to settle any such Tax Proceeding in its absolute discretion, in the event that the Liberty Group objects to a settlement of a Contested Liberty Group Item that it has identified in a written notice to AT&T prior to settlement as an item to be subject to this clause (iv), (A) a neutral nationally recognized accountant (the "Settlement Advisor") that is mutually reasonably satisfactory to the parties shall determine the extent, if any, to which the amount for which the Contested Liberty Group Item was settled exceeds the amount at which the Contested Liberty Group Item could reasonably have been expected to be settled (the "Tentative Settlement Overpayment"), (B) the Settlement Advisor shall reasonably reduce the Tentative Settlement Overpayment to take account of the settlement of any Contested Liberty Group Items (and the resolution of any items of the Liberty Group for the period settled that were not the subject of the Tax Proceeding but were specifically identified in a written notice to the Liberty Group from AT&T and discussed with the Liberty Group prior to settlement) at an amount lower than the amount at which such items could reasonably have been expected to be settled (the Tentative Overpayment after such reduction, if any, the "Settlement Overpayment") and (C) AT&T shall pay the Liberty Group the Settlement Overpayment as a tax sharing payment to the extent that the Settlement Overpayment exceeds the lesser of (x) 125 percent of the amount at which the Contested Liberty Group Item could reasonably have been expected to be settled, as determined by the Settlement Advisor, and (y) $10 million (which $10 million amount shall apply with respect to all Settlement Overpayments for such year). The parties shall agree on an appropriate fee-sharing arrangement with respect to the procedure in clause (iv).

7. Cooperation. The parties shall cooperate with one another in all matters relating to Taxes. The Liberty Group shall provide AT&T with such cooperation and information as is necessary in order to enable AT&T to satisfy its tax, accounting and other legitimate requirements. Such cooperation and information by the Liberty Group shall include making its knowledgeable employees available during normal business hours and providing the information required by AT&T's customary tax and accounting questionnaires (at the times and in the format required by AT&T of its Significant Subsidiaries).

8. Liberty Group LLC. If formed, the Liberty Group LLC shall be a party to the Tax Sharing Agreement and shall succeed to the rights and obligations of the Liberty Group under the Tax Sharing Agreement upon a Triggering Event (as defined in the Contribution Agreement) insofar as such rights and obligations arise in connection with the operations of the Liberty Group LLC.

EXHIBIT 2.03

Exhibit 2.03

RESTATED CERTIFICATE OF INCORPORATION

OF

LIBERTY MEDIA CORPORATION

LIBERTY MEDIA CORPORATION, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

(1) The name of the Corporation is Liberty Media Corporation. The original Certificate of Incorporation of the Corporation was filed on September 30, 1994. The name under which the Corporation was originally incorporated is Liberty Media Corporation.

(2) This Restated Certificate of Incorporation amends and restates in its entirety the Certificate of Incorporation of the Corporation.

(3) Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, the text of the Certificate of Incorporation is hereby restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Liberty Media Corporation (the "Corporation").

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is One Rodney Square, 10th Floor, Tenth and King Streets, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is RL&F Service Corp.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

ARTICLE IV

AUTHORIZED STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is [_____] shares, of which [_____] shares shall be common stock ("Common Stock") and [_____] shares shall be preferred stock ("Preferred Stock"). Said shares of Common Stock shall be divided into the following classes: (a) [_____] shares shall be designated as Class A Common Stock with a par value of $1.00 per share ("Class A Common Stock"); (b) [_____] shares shall be designated as Class B Common Stock with a par value of $1.00 per share ("Class B Common Stock"); and (c) [_____] shares shall be designated as Class C Common Stock with a par value of $1.00 per share ("Class C Common Stock"). Said shares of Preferred Stock shall be all of one class with a par value of $.01 per share, and shall be issued in one or more series as set forth in Section B below.

SECTION A

CLASS A COMMON STOCK, CLASS B COMMON STOCK AND CLASS C COMMON STOCK

Each share of the Class A Common Stock, each share of the Class B Common Stock and each share of Class C Common Stock of the Corporation shall, except as otherwise provided in this Article IV, Section A, be identical in all respects and shall have equal rights and privileges.

1. Voting Rights.

Holders of Common Stock shall be entitled to one (1) vote for each share of such stock held on all matters presented to such stockholders. The holders of outstanding shares of Class A Common Stock shall vote separately as a class with respect to any election of Class A Directors (as defined below). The holders of outstanding shares of Class B Common Stock shall vote separately as a class with respect to any election of Class B Directors (as defined below). The holders of outstanding shares of Class C Common Stock shall vote separately as a class with respect to any election of Class C Directors (as defined below). Except as set forth above or as may otherwise be required by the laws of the State of Delaware and, with respect to any series of Preferred Stock, except as may be provided in any resolution or resolutions providing for the establishment of such series pursuant to authority vested in the Board of Directors by Article IV, Section B, of this Certificate, the holders of outstanding shares of Class A Common Stock, the holders of outstanding shares of Class B Common Stock, the holders of outstanding shares of Class C Common Stock and the holders of outstanding shares of each series of Preferred Stock shall vote together as one class with respect to all other matters to be voted on by stockholders of the Corporation (including, without limitation, any proposed amendment to this Certificate that would increase the number of authorized shares of any class of Common Stock or any series of Preferred Stock or decrease the number of authorized shares of any such class or series of stock (but not below the number of shares thereof then outstanding)), and no separate vote or consent of the holders of shares of Class A Common Stock, Class B Common Stock, Class C Common Stock or any series of Preferred Stock shall be required for the approval of any such matter.

2. Conversion Rights.

Shares of Class A Common Stock, Class B Common Stock and Class C Common Stock shall not be convertible, whether at the option of the holder thereof or of the Company, into shares of any other class of Common Stock of the Company.

3. Dividends.

Subject to subparagraph 4 of this Section A, whenever a dividend is paid to the holders of shares of any class of Common Stock, the Corporation also shall pay an equal per share dividend to the holders of each other class of Common Stock of the Corporation. Dividends shall be payable only as and when declared by the Board of Directors out of funds legally available therefor.

4. Share Distributions.

If at any time a distribution paid in Class A Common Stock, Class B Common Stock, Class C Common Stock or any other securities of the Corporation or any other entity (hereinafter sometimes called a "share distribution") is to be made with respect to the Class A Common Stock, Class B Common Stock or Class C Common Stock, such share distribution may be declared and paid only as follows:

(i) a share distribution consisting of shares of Class A Common Stock (or convertible securities convertible into or exercisable or exchangeable for shares of Class A Common Stock) to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock, on an equal per share basis; or consisting of shares of Class B Common Stock (or convertible securities convertible into or exercisable or exchangeable for shares of Class B Common Stock) to holders of Class B Common Stock, Class C

Common Stock and Class A Common Stock, on an equal per share basis; or consisting of shares of Class C Common Stock (or convertible securities convertible into or exercisable or exchangeable for shares of Class C Common Stock) to holders of Class C Common Stock, Class A Common Stock and Class B Common Stock, on an equal per share basis; or consisting of shares of Class A Common Stock (or convertible securities convertible into or exercisable or exchangeable for shares of Class A Common Stock) to holders of Class A Common Stock and, on an equal per share basis, shares of Class B Common Stock (or like convertible securities convertible into or exercisable or exchangeable for shares of Class B Common Stock) to holders of Class B Common Stock and, on an equal per share basis, shares of Class C Common Stock (or like convertible securities convertible into or exercisable or exchangeable for shares of Class C Common Stock) to holders of Class C Common Stock; and

(ii) a share distribution consisting of any class or series of securities of the Corporation or any other entity other than Class A Common Stock, Class B Common Stock or Class C Common Stock (or convertible securities convertible into or exercisable or exchangeable for shares of Class A Common Stock, Class B Common Stock or Class C Common Stock), on the basis of a distribution of identical securities, on an equal per share basis, to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock.

The Corporation shall not reclassify, subdivide or combine the Class A Common Stock without reclassifying, subdividing or combining the Class B Common Stock and the Class C Common Stock, each on an equal per share basis. The Corporation shall not reclassify, subdivide or combine the Class B Common Stock without reclassifying, subdividing or combining the Class A Common Stock and the Class C Common Stock, each on an equal per share basis. The Corporation shall not reclassify, subdivide or combine the Class C Common Stock without reclassifying, subdividing or combining the Class A Common Stock and the Class B Common Stock, each on an equal per share basis.

5. Liquidation and Mergers.

Subject to the prior payment in full of the preferential amounts to which any Preferred Stock is entitled, the holders of Class A Common Stock, the holders of Class B Common Stock and the holders of Class C Common Stock shall share equally, on an equal per share basis, in any distribution of the Corporation's assets upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provisions for payment of the debts and other liabilities of the Corporation. Neither the consolidation or merger of the Corporation with or into any other corporation or corporations nor the sale, transfer or lease of all or substantially all of the assets of the Corporation shall itself be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this subparagraph 5.

SECTION B

PREFERRED STOCK

The Preferred Stock may be issued, from time to time, in one or more series, with such powers, designations, preferences and relative, participating, optional or other rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of each such series adopted by the Board of Directors. The Board of Directors, in such resolution or resolutions (a copy of which shall be filed and recorded as required by law), is also expressly authorized to fix with respect to each series:

(1) the distinctive serial designations and the division of such shares into series and the number of shares of a particular series, which may be increased or decreased, but not below the number of shares thereof then outstanding, by a certificate made, signed, filed and recorded as required by law;

(2) the dividend rate or amounts, if any, for the particular series, the date or dates from which dividends on all shares of such series shall be cumulative, if dividends on stock of the particular series

shall be cumulative and the relative rights of priority, if any, or participation, if any, with respect to payment of dividends on shares of that series;

(3) the rights of the shares of each series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of each series;

(4) the right, if any, of the holders of a particular series to convert or exchange such stock into or for other classes or series of a class of stock or indebtedness of the Corporation or of another entity, and the terms and conditions of such conversion or exchange, including provision for the adjustment of the conversion or exchange rate in such events as the Board of Directors may determine;

(5) the voting rights, if any, of the holders of a particular series; and

(6) the terms and conditions, if any, for the Corporation to purchase or redeem shares of a particular series.

All shares of any one series of the Preferred Stock shall be alike in every particular. Except to the extent otherwise provided in the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of shares of such series shall have no voting rights, except as may be required by the laws of the State of Delaware.

ARTICLE V

DIRECTORS

SECTION A

NUMBER OF DIRECTORS

The governing body of the Corporation shall be the Board of Directors. The number of directors shall not be less than three (3) and the exact number of directors shall be fixed by the Board of Directors by resolution; *provided*, that the number of directors shall always be a multiple of three (3) divided evenly among Class A Directors, Class B Directors and Class C Directors. Election of directors need not be by written ballot. No series of Preferred Stock shall be entitled to elect any additional directors, although the terms of any series of Preferred Stock may provide that the shares of such series are entitled to vote in elections of Class A Directors, Class B Directors and/or Class C Directors.

SECTION B

TERM OF OFFICE

The Corporation shall have three classes of directors: Class A, Class B and Class C (the directors of each such class being a "Class A Director", a "Class B Director" or a "Class C Director", respectively). Subject to the last sentence of Section A of this Article V, the Class A Directors shall be elected by the holders of the Class A Common Stock, voting as a separate class, the Class B Directors shall be elected by the holders of the Class B Common Stock, voting as a separate class, and the Class C Directors shall be elected by the holders of the Class C Common Stock, voting as a separate class. Each class of directors shall consist of a number of directors equal to one-third (33⅓%) of the then authorized number of members of the Board of Directors. The initial term of office of the Class A Directors shall expire at the annual meeting of stockholders in 2000; the initial term of office of the Class B Directors shall expire at the annual meeting of stockholders in 2006; and the initial term of office of the Class C Directors shall expire at the annual meeting of stockholders in 2009. At each annual meeting of stockholders of the Corporation the successors of that class or classes of directors whose term(s) expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of

stockholders held, in the case of the Class A Directors, in the following year, in the case of the Class B Directors, in the seventh year following the year of such election and, in the case of the Class C Directors, in the tenth year following the year of such election. The directors of each class will hold office until their respective death, resignation or removal and until their respective successors are elected and qualified.

SECTION C
REMOVAL OF DIRECTORS

Notwithstanding any provision of the Certificate of Incorporation or the Bylaws, any removal of a director may only be acted upon at a special meeting of stockholders called for such purpose on sixty days' prior written notice (which notice shall also be provided to each member of the Board of Directors). Directors may be removed from office only for cause upon the affirmative vote of the holders of 75% of the then outstanding Class A Common Stock (in the case of Class A Directors), Class B Common Stock (in the case of Class B Directors), or Class C Common Stock (in the case of Class C Directors) entitled to vote at any election of directors of the applicable class. For such purposes, "cause" shall mean the conviction of a felony including moral turpitude.

SECTION D
NEWLY CREATED DIRECTORSHIPS AND VACANCIES

Vacancies among the Class A Directors, the Class B Directors or the Class C Directors resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of Class A Directors, Class B Directors or Class C Directors, shall be filled by the affirmative vote of a majority of the remaining directors of the applicable class of directors then in office (even though less than a quorum) or by the sole remaining director of such class (if there be one). Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is apportioned, and until such director's successor shall have been elected and qualified. No increase or decrease in the number of directors shall be made if after such increase or decrease the number of Class A Directors, Class B Directors and Class C Directors would not be equal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION E
LIMITATION ON LIABILITY AND INDEMNIFICATION

1. Limitation On Liability.

To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any repeal or modification of this subparagraph 1 shall be prospective only and shall not adversely affect any limitation, right or protection of a director of the Corporation existing at the time of such repeal or modification.

2. Indemnification.

a. **Right to Indemnification.** The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership,

limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person. Such right of indemnification shall inure whether or not the claim asserted is based on matters which antedate the adoption of this Section E. The Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

b. **Prepayment of Expenses.** The Corporation shall pay the expenses (including attorneys' fees) incurred by a director or officer in defending any proceeding in advance of its final disposition, *provided, however*, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this subparagraph 2 or otherwise.

c. **Claims.** If a claim for indemnification or payment of expenses under this subparagraph 2 is not paid in full within 60 days after a written claim therefor has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

d. **Non-Exclusivity of Rights.** The rights conferred on any person by this subparagraph 2 shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Certificate, the Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

e. **Other Indemnification.** The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity.

3. Amendment or Repeal.

Any repeal or modification of the foregoing provisions of this Section E shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

SECTION F

AMENDMENT OF BYLAWS

The Board of Directors of the Corporation is hereby expressly authorized and empowered to adopt, amend, or repeal any provision of the bylaws of the Corporation except as and to the extent provided in the bylaws.

SECTION G

REQUIRED MAJORITY VOTE

All actions taken by the Board of Directors shall be authorized by the affirmative vote at a meeting of not less than a Required Majority or by unanimous written consent. The term "Required Majority" means a majority of the total number of members of the Board of Directors as constituted from time to time, provided that such majority includes a majority of the Class B Directors and Class C Directors.

ARTICLE VI

TERM

The term of existence of this Corporation shall be perpetual.

ARTICLE VII

STOCK NOT ASSESSABLE

The capital stock of this Corporation shall not be assessable if fully paid. It shall be issued as fully paid, and the private property of the stockholders shall not be liable for the debts, obligations or liabilities of this Corporation.

ARTICLE VIII

MEETINGS OF STOCKHOLDERS

SECTION A

ANNUAL AND SPECIAL MEETINGS

Stockholder action may be taken only at an annual or special meeting. Special meetings of the stockholders of the Corporation, for any purpose or purposes, shall be called by the Secretary of the Corporation only (i) upon the written request of the holders of not less than 66⅔% of the total voting power of the outstanding Voting Securities (as defined below) or (ii) at the request of at least 66⅔% of the members of the Board of Directors then in office. The term "Voting Securities" shall include the Class A Common Stock, the Class B Common Stock, the Class C Common Stock and any series of Preferred Stock entitled to vote with the holders of Common Stock generally upon all matters which may be submitted to a vote of stockholders at any annual meeting or special meeting thereof. Election of directors need not be by written ballot.

SECTION B

STOCKHOLDER ACTION WITHOUT A MEETING

Except as otherwise provided in the terms of any series of Preferred Stock, no action required to be taken or which may be taken at any annual meeting or special meeting of stockholders may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, is specifically denied."

• • •

(4) Effective upon the filing of this Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, each share of the Common Stock, par value $1.00 per share, of the Corporation that is issued and outstanding shall thereupon be reclassified and changed, *ipso facto* and without any other action on the part of the stockholders thereof, into [⅓] share of Class A Common Stock, [⅓] share of Class B Common Stock and [⅓] share of Class C Common Stock. Such shares of Class A Common Stock, Class B Common Stock and Class C Common Stock shall be fully paid and nonassessable.

(5) The capital of Liberty Media Corporation will not be reduced under or by reason of this Restated Certificate of Incorporation.

IN WITNESS WHEREOF, LIBERTY MEDIA CORPORATION has caused this certificate to be signed by , its and attested by , its Secretary, this day of , 1999.

ATTEST:

By: _____
[Name]
[Title]

_____
[Name]

LIBERTY MEDIA CORPORATION

A Delaware Corporation

BYLAWS

ARTICLE I

STOCKHOLDERS

Section 1.1 Annual Meeting.

An annual meeting of stockholders for the purpose of electing those directors whose term of office expires at such meeting and transacting such other business as may come before it shall be held each year at such date, time, and place, either within or without the State of Delaware, as may be specified by the Board of Directors.

Section 1.2 Special Meetings.

Special meeting of stockholders shall be called by the Secretary as and when provided for by the Certificate of Incorporation, as amended from time to time (the "Certificate"). Special meetings of stockholders for any purpose or purposes may be held at such time and place either within or without the State of Delaware as may be stated in the notice.

Section 1.3 Notice of Meetings.

Written notice of stockholders meetings, stating the place, date, and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Chairman of the Board, if any, the President, the Secretary, or any other officer, to each stockholder entitled to vote thereat at least ten days but not more than sixty days before the date of the meeting, unless a different period is prescribed by law or the Certificate.

Section 1.4 Quorum.

Except as otherwise provided by law or in the Certificate or elsewhere in these Bylaws, at any meeting of stockholders the holders of a majority in voting power of the outstanding shares of each class of common stock entitled to vote at the meeting shall be present or represented by proxy in order to constitute a quorum for the transaction of any business. In the absence of a quorum, a majority in voting power of the stockholders present or the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 1.5 of these Bylaws until a quorum shall attend.

Section 1.5 Adjournment.

Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.6 Organization.

The Chairman of the Board, if any, or in his absence the Vice Chairman of the Board of Directors, shall call to order meetings of stockholders and shall act as chairman of such meetings. The Board of Directors or, if the Board of Directors fails to act, the stockholders may appoint any stockholder, director, or officer of the Corporation to act as chairman of any meeting in the absence of the Chairman of the Board or the Vice Chairman.

The Secretary of the Corporation shall act as secretary of all meetings of stockholders, but, in the absence of the Secretary, the chairman of the meeting may appoint any other person to act as secretary of the meeting.

Section 1.7 Voting.

Except as otherwise provided by law, the Certificate or elsewhere in these Bylaws and except for the election of directors, at any meeting duly called and held at which a quorum is present, a majority of the votes cast at such meeting upon a given question by the holders of shares of capital stock of the Corporation entitled to vote thereon, who are present in person or by proxy, shall decide such question. At any meeting duly called and held for the election of a particular class of directors at which a quorum is present, directors of such class shall be elected by a plurality of the votes cast by the holders (acting as such) of shares of the applicable class of common stock of the Corporation as set forth in the Certificate, who are present in person or by proxy.

ARTICLE II
BOARD OF DIRECTORS

Section 2.1 Number and Term of Office.

The business, property, and affairs of the Corporation shall be managed by or under the direction of a Board of Directors of at least three directors. The number and term of office of the members of the Board of Directors shall be determined as set forth in the Certificate.

Section 2.2 Chairman of the Board.

The directors may elect one of their members to be Chairman of the Board of Directors and a Vice Chairman. The Chairman and the Vice Chairman shall be subject to the control of and may be removed from such office by the Board of Directors. The Chairman and the Vice Chairman shall perform such duties as may from time to time be assigned to him by the Board of Directors.

Section 2.3 Meetings.

The annual meeting of the Board of Directors, for the election of officers and the transaction of such other business as may come before the meeting, shall be held without notice at the same place as, and immediately following, the annual meeting of the stockholders.

Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors.

Special meetings of the Board of Directors shall be held at such time and place as shall be designated in the notice of the meeting whenever called by the Chairman of the Board, if any, the President or by a majority of the directors then in office.

Section 2.4 Notice of Special Meetings.

The Secretary, or in his absence any other officer of the Corporation, shall give each director notice of the time and place of holding of special meetings of the Board of Directors by mail at least 5 days before the meeting, or by telegram, cable, facsimile transmission or personal service at least 24 hours before the meeting. Unless otherwise stated in the notice thereof, any and all business may be transacted at any meeting without specification of such business in the notice.

Section 2.5 Quorum and Organization of Meetings.

Two-thirds of the total number of members of the Board of Directors as constituted from time to time shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors (whether or not adjourned from a previous meeting) there shall be less than a quorum present, a majority of those

present may adjourn the meeting to another time and place, and the meeting may be held as adjourned without further notice or waiver. Except as otherwise provided by law, or unless the Certificate or these Bylaws requires a greater vote, a majority of the whole Board present at any meeting at which a quorum is present may decide any question brought before such meeting; provided, that any such majority shall include a majority of the Class B Directors and Class C Directors (such a majority, a "Required Majority"). Meetings shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman or in the absence of both by such other person as the directors may select. The Secretary of the Corporation shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.6 Committees.

The Board of Directors may, by resolution passed by a Required Majority, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law of the State of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the Corporation. Each committee which may be established by the Board of Directors pursuant to these Bylaws may fix its own rules and procedures. Notice of meetings of committees, other than of regular meetings provided for by such rules, shall be given to committee members. All action taken by committees shall be recorded in minutes of the meetings.

Section 2.7 Action Without Meeting.

Nothing contained in these Bylaws shall be deemed to restrict the power of members of the Board of Directors or any committee designated by the Board of Directors to take any action required or permitted to be taken by them without a meeting.

Section 2.8 Telephone Meetings.

Nothing contained in these Bylaws shall be deemed to restrict the power of members of the Board of Directors, or any committee designated by the Board of Directors, to participate in a meeting of the Board of Directors, or committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

ARTICLE III

OFFICERS

Section 3.1 Executive Officers.

The executive officers of the Corporation shall be a Chairman of the Board, a Vice Chairman of the Board, a President and a Secretary, each of whom shall be elected by the Board of Directors. The Board of Directors may elect or appoint such other officers (including a Treasurer and one or more Assistant Secretaries) as it may deem necessary or desirable. Each officer shall hold office for such term as may be prescribed by the Board of Directors from time to time. Any person may hold at one time two or more offices.

Section 3.2 Powers and Duties.

The Chairman of the Board, if any, or, in his absence, the Vice Chairman shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board and the Vice Chairman shall also have such additional powers and duties as may be prescribed for such offices from time to time by the Board of Directors. The President shall be the chief executive officer of the Corporation. In the absence of the President, an officer appointed by the President, or if the President fails to make such appointment, by the Board of Directors, shall perform all the duties of the President. The officers and agents of the Corporation shall each have such powers and authority and shall perform such duties in the management of the business, property, and affairs of the Corporation as generally pertain to their respective offices, as well as such powers and authorities and such duties as from time to time may be prescribed by the Board of Directors.

ARTICLE IV
RESIGNATIONS, REMOVALS AND VACANCIES

Section 4.1 Resignations.

Any director or officer of the corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time be not specified therein, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

Section 4.2 Removals.

The Board of Directors, by a Required Majority vote, at any meeting thereof, or by unanimous written consent, at any time, may, to the extent permitted by otherwise applicable Delaware law, remove with or without cause from office or terminate the employment of any officer or member of any committee and may, with or without cause, disband any committee.

Section 4.3 Vacancies.

Any vacancy in the office of any officer through death, resignation, removal, disqualification, or other cause, may be filled at any time by a Required Majority of the directors, and, subject to the provisions of this Article IV, the person so chosen shall hold office until his successor shall have been elected and qualified.

ARTICLE V
CAPITAL STOCK

Section 5.1 Stock Certificates.

The certificates for shares of the capital stock of the Corporation shall be in such form as shall be prescribed by law and approved, from time to time, by the Board of Directors.

Section 5.2 Transfer of Shares.

Shares of the capital stock of the Corporation may be transferred on the books of the Corporation only by the holder of such shares or by his duly authorized attorney, upon the surrender to the Corporation or its transfer agent of the certificate representing such stock properly endorsed.

Section 5.3 Fixing Record Date.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing

without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which, unless otherwise provided by law, shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

Section 5.4 Lost Certificates.

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates representing stock of the Corporation to be issued in place of any certificate or certificates theretofore issued by the Corporation, alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as the Board of Directors (or any transfer agent so authorized) shall direct to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificates, and such requirement may be general or confined to specific instances.

Section 5.5 Regulations.

The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, registration, cancellation, and replacement of certificates representing stock of the Corporation.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Corporate Seal.

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal" and "Delaware".

Section 6.2 Fiscal Year.

The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 6.3 Notices and Waivers Thereof.

Whenever any notice whatsoever is required by law, the Certificate or these Bylaws to be given to any stockholder, director or officer, such notice, except as otherwise provided by law, may be given personally, or by mail, or, in the case of directors or officers, by telegram, cable or facsimile transmission, addressed to such person at his or her address as it appears on the books of the Corporation. Any notice given by telegram, cable or facsimile transmission shall be deemed to have been given when it shall have been delivered for transmission and any notice given by mail shall be deemed to have been given when it shall have been deposited in the United States mail with postage thereon prepaid.

Whenever any notice is required to be given by law, the Certificate or these Bylaws, a written waiver thereof, signed by the person entitled to such notice, whether before or after the meeting or the time stated therein, shall be deemed equivalent in all respects to such notice to the full extent permitted by law.

Section 6.4 *Stock of Other Corporations or Other Interests.*

Unless otherwise ordered by the Board of Directors, the President, the Secretary, and such attorneys or agents of the Corporation as may be from time to time authorized by the Board of Directors or the President, shall have full power and authority on behalf of this Corporation to attend and to act and vote in person or by proxy at any meeting of the holders of securities of any corporation or other entity in which this Corporation may own or hold shares or other securities, and at such meetings shall possess and may exercise all the rights and powers incident to the ownership of such shares or other securities which this Corporation, as the owner or holder thereof, might have possessed and exercised if present. The President, the Secretary, or such attorneys or agents, may also execute and deliver on behalf of this Corporation powers of attorney, proxies, consents, waivers, and other instruments relating to the shares or securities owned or held by this Corporation.

ARTICLE VII
AMENDMENTS

The holders of shares of capital stock entitled at the time to vote in any general election of directors shall have power to adopt, amend, or repeal the Bylaws of the Corporation by vote of the holders of not less than a majority in voting power of the outstanding shares of each class of common stock of the Corporation, voting as separate classes, and except as otherwise provided by law, the Board of Directors shall have power equal in all respects to that of the stockholders to adopt, amend, or repeal the Bylaws by vote of not less than a Required Majority.

EXHIBIT 2.04

CONTRIBUTION AGREEMENT

BY AND AMONG

LIBERTY MEDIA CORPORATION,
LIBERTY MANAGEMENT LLC,
LIBERTY MEDIA GROUP LLC

AND

LIBERTY VENTURES LLC

, 1999

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ARTICLE VII

TERMINATION

ARTICLE VIII

MISCELLANEOUS

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "Agreement") is made as of this th day of , 1999 by and among Liberty Media Corporation, a Delaware corporation ("Liberty Media Corporation"), Liberty Management LLC, a Delaware limited liability company ("Liberty Management"), Liberty Media Group LLC, a Delaware limited liability company ("Liberty Media Group LLC") and Liberty Ventures LLC, a Delaware limited liability company ("Stockholder").

WHEREAS, pursuant to the terms and subject to the conditions of this Agreement, the parties desire that, as promptly as practicable following the occurrence of a Triggering Event (as defined below), Liberty Media Corporation and Liberty Management and, if applicable, Stockholder shall make the contributions to Liberty Media Group LLC contemplated by this Agreement pursuant to Section 6.1 of the LLC Agreement (as defined below) of Liberty Media Group LLC as Subsequent Capital Contributions (as defined therein);

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings specified below:

"Additional Liberty Media Group Assets" has the meaning set forth in Section 2.2(a).

"Additional Liberty Media Group Liabilities" means all Liabilities to which the Additional Liberty Media Group Assets are subject (subject to Section 2.7, other than any such liabilities relating to any Beneficial Assets unless and until such Asset is contributed to Liberty Media Group LLC).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person. For purposes of this definition, the term "controls" (including its correlative meanings "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, for purposes of this Agreement, Liberty Management and its Subsidiaries shall not be deemed to be Affiliates of Liberty Media Group LLC or its Subsidiaries or of Parent or its Subsidiaries (including Liberty Media Corporation) and Parent and its Subsidiaries shall not be deemed to be Affiliates of Liberty Media Group LLC or its Subsidiaries or of Liberty Management or its Subsidiaries.

"Agreement" means this Contribution Agreement, including the Schedules and Exhibits attached hereto.

"Assets" of a Person means all of the properties, assets, privileges, rights, interests, claims and goodwill of such Person, real and personal, tangible and intangible, of every type and description, whether owned or leased or otherwise possessed, whether or not used or held for use or usable in connection with the business and assets of such Person and whether or not reflected on the financial statements or accounts of such Person, including the capital stock or other interests in any other Person held by such Person.

"Beneficial Assets" has the meaning set forth in Section 2.7 hereto.

"Business Day" means a day of the year on which banks are not required or authorized to be closed in the State of New York.

"Capital Contribution" has the meaning ascribed to such term in the LLC Agreement.

"Capital Stock Committee" means the Capital Stock Committee of the Board of Directors of Parent, as described in the form of Bylaw Amendment attached to the Merger Agreement.

"Class B Director" and "Class C Director" mean, respectively, the directors classified as such in the Liberty Media Corporation Charter.

"Closing" means a meeting at which, in whole or in part, the transactions contemplated by this Agreement are concluded, held on the date and at the place fixed in accordance with Article VIII.

"Closing Date" means the date of the Closing.

"Code" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder.

"Contract" means any lease, license, contract or other agreement.

"Firewall Agreement" means the agreements referred to in Sections 7.14 and 7.18 of the Merger Agreement.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any arbitrator.

"Incumbent Directors" means (i) those directors who are the Class B Directors and Class C Directors of Liberty Media Corporation immediately prior to the Effective Time (as defined in the Merger Agreement) and (ii) those persons who become Class B Directors or Class C Directors of Liberty Media Corporation upon the death, disability, resignation, removal or subsequent election of a Class B or Class C Director (including upon any increase in the size of the Board of Directors of Liberty Media Corporation), provided, that any Class B Director or Class C Director elected or appointed following the Effective Time shall be an Incumbent Director only, if (x) in the case of any person who was appointed or elected to fill any vacancy among the Class B Directors or Class C Directors resulting from the death, disability, resignation or removal of a Class B Director or Class C Director, such person was so appointed or nominated for election as such by a majority of the Incumbent Directors (or single such director, if only one remains) who were then members of the class of directors of Liberty Media Corporation in which such vacancy occurred, or, (y) in the case of any election or appointment of a Class B or Class C Director which results from any increase in the size of the Board of Directors of Liberty Media Corporation or of the Class B or Class C Directors, the person so elected or appointed to fill such directorship shall have been appointed or nominated for election as such by a majority of the Incumbent Directors (or single such director, if only one remains) who were then members of the class of directors to which such newly created directorship was apportioned.

"Intellectual Property" means all patents, trademarks, trade names, service marks, copyrights and trade secrets.

"LLC Agreement" means the Limited Liability Company Agreement of Liberty Media Group LLC, dated as of the date hereof, among Liberty Media Corporation, Liberty Management LLC and Liberty Ventures LLC.

"Liabilities" of a Person means all debts, liabilities and obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and whether or not the same would properly be reflected on a balance sheet, including all costs and expenses relating thereto.

"Liberty Management" has the meaning set forth in the preamble hereto.

"Liberty Management Contribution" has the meaning set forth in Section 2.3.

"Liberty Media Corporation" has the meaning set forth in the preamble hereto.

"Liberty Media Corporation Assets" means all of the Assets of Liberty Media Corporation, now in existence or hereafter acquired by Liberty Media Corporation, including, but not limited to, the following:

(i) all rights of any nature whatsoever of Liberty Media Corporation under the Firewall Agreement and the Tax Sharing Agreement; and

(ii) all Intellectual Property used or usable in connection with the Liberty Media Corporation Assets.

"Liberty Media Corporation Charter" means the Restated Certificate of Incorporation of Liberty Media Corporation filed with the Secretary of State of the State of Delaware, as the same may be amended from time to time.

"Liberty Media Corporation Contribution" has the meaning set forth in Section 2.1.

"Liberty Media Corporation Liabilities" means all Liabilities of Liberty Media Corporation (subject to Section 2.7, other than any such liabilities relating to any Beneficial Assets unless and until such Asset is contributed to Liberty Media Group LLC) including, without limitation all obligations of any nature whatsoever of Liberty Media Corporation under the Firewall Agreement.

"Liberty Media Group Assets" means the Liberty Media Corporation Assets and the Additional Liberty Media Group Assets, collectively.

"Liberty Media Group LLC" has the meaning set forth in the preamble hereto.

"Liberty Media Group" has the meaning ascribed to such term in the Parent Charter.

"Lien" means any lien, pledge, claim, encumbrance, mortgage or security interest in real or personal property.

"Material Adverse Effect" means a material adverse change in, or material adverse effect on, the business, assets, liabilities, results of operations, condition (financial or otherwise) or prospects of a party considered together with its consolidated subsidiaries on a combined basis, other than any changes in, or effects on, any of the foregoing arising primarily out of or resulting primarily from general economic or industry conditions.

"Merger Agreement" means that certain Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998, among Parent, Italy Merger Corp. and Tele-Communications, Inc.

"Parent" means AT&T Corp., a New York corporation.

"Parent Charter" means the Certificate of Incorporation of Parent, as amended as contemplated by the Merger Agreement.

"Permitted Liens" means (i) Liens for Taxes not yet due and payable, (ii) Liens for Taxes, the validity of which is being contested in good faith in appropriate proceedings and with respect to which appropriate reserves have been set aside on the books of the party against which such Liens have been created, (iii) inchoate mechanic's and materialmen's Liens for construction in progress or which are being contested in good faith in appropriate proceedings, (iv) Liens on property which secure the purchase price of such property, (v) workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business and evidencing indebtedness for related services that is not more than 60 days past due or which is being contested in good faith in appropriate proceedings, and (vi) minor imperfections in title and encumbrances and other minor matters, if any, which singly or in the aggregate are not substantial in amount, do not materially detract from the value of the property subject thereto or interfere with the present use thereof or otherwise impair the operations of a Person.

"Person" means any individual, corporation, partnership, limited liability company, trust, unincorporated association or other entity.

"Stockholder" has the meaning set forth in the preamble hereto.

"Stockholder Contribution" has the meaning set forth in Section 2.2.

"Subsidiary" of any Person as of any date shall mean any other Person more than 50% of the outstanding number or voting power of the shares, equity interests or other ownership interests of which are, as of such date, owned or controlled, directly or indirectly, by such Person and/or one or more of its Subsidiaries.

"Tax" or "Taxes" means all federal, state, local and foreign income, profits, franchise, gross receipts, payroll, sales, employment, use, property, withholding, excise and other taxes, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts; *provided, however*, that "Tax" and "Taxes" shall not include amounts paid to municipalities with respect to operating franchise arrangements.

"Tax Return" or "Tax Returns" means all returns or reports required to be filed under any statute, rule or regulation relating to Taxes.

"Tax Sharing Agreement" means the Tax Sharing Agreement, dated as of , among Parent, Liberty Media Corporation, certain Subsidiaries of Liberty Media Corporation and Liberty Media Group LLC.

"TCI" means Tele-Communications, Inc., a Delaware corporation.

"Transfer" means, as a noun, any sale, exchange, assignment, conveyance or transfer and, as a verb, to sell, exchange, assign, convey or transfer.

"Triggering Event" means either (i) the failure of the Incumbent Directors to constitute a majority of the members of the Board of Directors of Liberty Media Corporation and to be entitled to cast a majority of the votes entitled to be cast by all directors at any meeting of the Board of Directors of Liberty Media Corporation (or to consent in writing thereto) or (ii) Liberty Management's determination (evidenced by written notice to such effect to Parent), in its reasonable judgment, that an event described in clause (i) is reasonably likely to occur (unless Parent provides such assurances as Liberty Management may reasonably request that such event will not occur within five Business Days of such notice (and in any event prior to the occurrence of such event described in clause (i)).

Liberty Management may, in its sole discretion, waive or suspend the occurrence of a Triggering Event on such terms and conditions as are set forth in written notice from Liberty Management to the other parties following the occurrence of a Triggering Event. Any such waiver or suspension shall only be effective with regard to the specific Triggering Event to which it applies, and shall in no way impair the respective rights of

Liberty Media Group LLC or Liberty Management in connection with any subsequent occurrence of a Triggering Event.

Section 1.2. Terms Generally. The definitions in Section 1.1 and elsewhere in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The words "herein", "hereof", "hereto" and "hereunder" and words of similar import refer to this Agreement (including the Schedules and Exhibits) in its entirety and not to any part hereof unless the context shall otherwise require. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless the context shall otherwise require, any references to any agreement or other instrument (other than in the Schedules hereto) or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations). Any reference in this Agreement to a "day" or number of "days" (without the explicit qualification of "Business") shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day.

ARTICLE II
CONTRIBUTION

Section 2.1. Liberty Media Corporation Contribution.

(a) Upon the terms and subject to the conditions set forth in this Agreement, as soon as practicable after the occurrence of a Triggering Event, Liberty Media Corporation shall convey, assign and transfer to Liberty Media Group LLC, and Liberty Media Group LLC shall acquire, accept and receive from Liberty Media Corporation, all of Liberty Media Corporation's right, title and interest in and to the Liberty Media Corporation Assets (the "Liberty Media Corporation Contribution").

(b) Concurrently with the Liberty Media Corporation Contribution, Liberty Media Group LLC shall assume, and agree to pay and discharge, as and when they become due, or otherwise take subject to, all of the Liberty Media Corporation Liabilities.

Section 2.2 Stockholder Contribution.

(a) If at the time of the occurrence of a Triggering Event, any of the Assets included in the Liberty Media Group are held, directly or indirectly, by Stockholder other than through its ownership interest in Liberty Media Corporation (such assets, the "Additional Liberty Media Group Assets"), then upon the terms and subject to the conditions set forth in this Agreement, as soon as practicable after the occurrence of such Triggering Event, Stockholder shall convey, assign and transfer, or cause to be conveyed, assigned and transferred, to Liberty Media Group LLC all of Stockholder's right, title and interest in and to the Additional Liberty Media Group Assets (the "Stockholder Contribution"), and Liberty Media Group LLC shall acquire, accept and receive the Stockholder Contribution from Stockholder.

(b) Concurrently with the Stockholder Contribution, Liberty Media Group LLC shall assume, and agree to pay and discharge, as and when they become due, or otherwise take subject to, all of the Additional Liberty Media Group Liabilities.

Section 2.3. Liberty Management Contribution. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing Liberty Management shall convey, assign and transfer to Liberty Media

Group LLC, and Liberty Media Group LLC shall acquire, accept and receive from Liberty Management, an amount in cash equal to the lesser of (i) $20 million and (ii) 0.001001 of the sum of the Liberty Media Corporation Contribution Amount and the Stockholder Contribution Amount (the "Liberty Management Contribution").

Section 2.4. Capital Contributions to Liberty Media Group LLC. The Liberty Media Corporation Contribution, the Liberty Management Contribution and, if applicable, the Stockholder Contribution (collectively, the "Contributions") as contemplated by this Agreement shall constitute Capital Contributions to Liberty Media Group LLC by Liberty Media Corporation, Liberty Management and Stockholder, respectively, as contemplated by Section 6.1(b) of the LLC Agreement.

Section 2.5. Procedures for Determination of Contribution Amount. Upon the occurrence of the Contributions, Liberty Management and the independent accounting firm responsible for preparing the audited financial statements of Liberty Media Corporation will each designate one appraiser (the "First Appraiser" and the "Second Appraiser") to determine the Gross Asset Value (as defined in the LLC Agreement) of the Liberty Media Corporation Assets and the fair market value of the Liberty Media Corporation Liabilities (the difference between such amounts, the "Liberty Media Contribution Amount") and, if applicable, the Gross Asset Value of the Additional Liberty Media Group Assets and the fair market value of the Additional Liberty Media Group Liabilities (the difference between such amounts, the "Stockholder Contribution Amount"). Each of the First Appraiser and the Second Appraiser shall submit its determination of the Liberty Media Corporation Contribution Amount and the Stockholder Contribution Amount (each a "Contribution Amount") to the parties within ten (10) Business Days of the date of its selection. If the respective determinations of a Contribution Amount by the First Appraiser and the Second Appraiser vary by less than ten percent (10%) of the higher determination, the applicable Contribution Amount shall be the average of the two determinations. If such determinations vary by ten percent (10%) or more of the higher determination, such appraisers shall promptly designate a third appraiser (the "Third Appraiser"). No party shall provide, and each appraiser shall be instructed not to provide, any information to the Third Appraiser as to the Contribution Amount determinations of the First Appraiser and the Second Appraiser or otherwise influence such Third Appraiser's determination in any way. The Third Appraiser shall submit its determination of the applicable Contribution Amount to the parties within five (5) Business Days of the date of its selection. The applicable Contribution Amount shall be equal to the average of the two closest of the three determinations, *provided* that, if the difference between the highest and middle determinations is no more than one hundred and five percent (105%) and no less than ninety-five percent (95%) of the difference between the middle and lowest determinations, then the applicable Contribution Amount shall be equal to the middle determination. The determination of a Contribution Amount in accordance with this Section 2.5 shall be final and binding on the parties. If any appraiser is only able to provide a range in which the applicable Contribution Amount would exist, the average of the highest and lowest value in such range shall be deemed to be such appraiser's determination of such Contribution Amount. Each appraiser selected pursuant to the provisions of this Section 2.5 shall be an independent investment banking firm or other independent qualified Person with prior experience in appraising businesses comparable to the businesses included in the Liberty Media Corporation Assets and Additional Liberty Media Group Assets. The parties agree that the procedures described in this Section 2.5 shall be conducted in a manner such that the final determination of the Contribution Amounts (including any determination of the Contribution Amounts by the Third Appraiser) shall be completed within twenty (20) Business Days of the occurrence of the applicable Triggering Event. Liberty Media Corporation and, if applicable, Stockholder shall make customary representations and warranties regarding the Liberty Media Corporation Assets and Additional Liberty Media Group Assets, respectively, as agreed by the parties in connection with the Liberty Media Corporation Contribution or Stockholder Contribution, as applicable, and any such representations and warranties will be taken into account by the appraisers referred to above when determining the Contribution Amounts. The Contribution Amounts shall also take into account the matters described in Sections 2.7 and 2.8.

Section 2.6. Transfer and Documentation. At the Closing, each of Liberty Media Corporation, Liberty Management and, if applicable, Stockholder shall execute and deliver to Liberty Media Group LLC such

instruments of conveyance as Liberty Media Group LLC may reasonably request in order to convey, assign and transfer title to the Liberty Media Corporation Assets, the Liberty Management Assets and the Additional Liberty Media Group Assets, if any, being conveyed, assigned and transferred to Liberty Media Group LLC at the Closing, and Liberty Media Group LLC shall execute an assumption agreement pursuant to which Liberty Media Group LLC shall assume and agree to pay when due, discharge and perform the Liberty Media Corporation Liabilities and Additional Liberty Media Group Liabilities, if any.

Section 2.7. Unassignable Assets. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Liberty Media Group Asset without the consent of another Person if an assignment or attempted assignment thereof without the consent of such Person would constitute a breach thereof or in any way impair the rights thereunder. If any such consent is not obtained or if an attempted assignment would be ineffective or would impair any party's rights with respect to such Liberty Media Group Asset so that Liberty Media Group LLC would not receive all such rights, then (a) Liberty Media Corporation and Stockholder, as applicable, shall continue to use their respective best efforts to obtain such consents and approvals and use their respective best efforts to provide or cause to be provided to Liberty Media Group LLC, to the extent permitted by law, the benefits of any such Asset (the "Beneficial Assets"), and (b) if Liberty Media Corporation or Stockholder, as the case may be, is able to provide Liberty Media Group LLC with the benefits thereof, Liberty Media Group LLC shall pay, perform and discharge on behalf of Liberty Media Corporation, Liberty Management and Stockholder, if applicable, all of Liberty Media Corporation's (and, if applicable, Stockholder's) liabilities and other obligations with respect thereto in a timely manner and in accordance with the terms thereof. In addition, Liberty Media Corporation and Stockholder, as applicable, shall take such other actions as may reasonably be requested by Liberty Media Group LLC in order to place Liberty Media Group LLC, insofar as reasonably possible, in the same position as if such Beneficial Asset had been transferred as contemplated hereby, so that all the benefits and burdens relating thereto shall inure to Liberty Media Group LLC. If and when any such consents and approvals are obtained, the transfer of the applicable Beneficial Asset shall be promptly effected in accordance with the terms of this Agreement.

Section 2.8. Certain Tax Issues. The exact manner of the contribution of each Liberty Media Group Asset by Liberty Media Corporation and Stockholder to Liberty Media Group LLC (*i.e.* whether an asset shall be contributed directly or whether the equity interests of a Person owning the asset shall be contributed) shall to the extent practicable be designed to ensure, on both an immediate and an on-going basis, the most efficient tax treatment to all members and Liberty Media Group LLC, after taking into consideration contractual and regulatory restrictions on the transfer of assets. To the extent that the contribution of any Liberty Media Group Asset in the manner contemplated by Liberty Media Corporation or Stockholder would result in the recognition of income or gain pursuant to Treasury Regulations governing consolidated federal income tax revenues and conveyance of such Liberty Media Group Asset by any alternative means would not result in the recognition of such income or gain, such Liberty Media Group Asset will be conveyed by such alternative means. If no such alternative means of conveying such Liberty Media Group Asset exists, Liberty Media Corporation or Stockholder, as applicable, and Liberty Media Group LLC shall, at the option of Liberty Media Group LLC, enter into an agreement providing that (a) such Liberty Media Group Asset shall not be contributed to Liberty Media Group LLC hereunder and (b) to the extent permissible without causing the recognition of income or gain, Liberty Media Group LLC shall have the exclusive and irrevocable power to direct the management, disposition and, if applicable, voting rights of such Liberty Media Group Asset and shall have the exclusive right to receive any and all proceeds of any such disposition.

Section 2.9. Conveyance Taxes; Expenses.

(a) Liberty Media Corporation agrees to assume liability for and to pay all Transfer, stamp, real property transfer taxes (including New York State Real Property Transfer Gains Tax or similar transfer or gains taxes) and any other similar Taxes incurred as a result of the transactions contemplated hereby, and shall hold each of the other parties hereto harmless against any such Taxes.

(b) Liberty Media Corporation shall bear the fees and expenses of all Liberty Media Corporation, Stockholder, Liberty Media Group LLC and Liberty Management relating to the uransactions contemplated

by this Article II (including all legal and accounting fees and expenses and the fees and expenses of the investment banking firms referred to in Section 2.5), whether or not such transactions are consummated.

Section 2.10. Further Assurances. At or following the Closing, each of the parties hereto will promptly execute such other documents and instruments, and will take such further actions , as may be necessary to vest, perfect or confirm any and all right, title and interest in, to and under the Liberty Media Group Assets in Liberty Media Group LLC, and otherwise to carry out the provisions hereof.

Section 2.11. Stockholder Consent. Stockholder, as the holder of all of the outstanding capital stock of Liberty Media Corporation hereby consents to and approves the transactions contemplated hereby, including the Liberty Media Corporation Contribution, for all purposes, and agrees and acknowledges that such consent and approval is irrevocable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 3.1. Mutual Representations. Each party hereby represents and warrants to the other parties that:

(a) Due Incorporation or Organization; Authorization of Agreements. Such party is a corporation or limited liability company duly organized and validly existing under the laws of the jurisdiction of its incorporation or organization and has all requisite corporate or organizational power and authority to own its property and carry on its business as owned and carried on at the date hereof. Such party is duly qualified to do business and in good standing (if applicable) in each jurisdiction in which the failure to be so qualified would have a Material Adverse Effect on such party. Such party has all requisite corporate or organizational power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by such party, and the execution, delivery and performance of this Agreement by such party have been duly authorized by all requisite corporate or organizational action, including any required approval of the stockholder(s) or member(s) of such party. This Agreement constitutes the legal, valid and binding obligation of such party, enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium and similar laws affecting the rights and remedies of creditors generally and the application of general principles of equity).

(b) No Conflict; No Default. Except, as to clauses (i), (iii), (iv) and (v) below only, as would not have a Material Adverse Effect on such party, neither the execution or delivery of this Agreement by such party nor (assuming all necessary consents, approvals, authorizations and other actions necessary for the Liberty Media Corporation Contribution, the Stockholder Contribution or the Liberty Management Contribution, as applicable, have been obtained) the performance of this Agreement by such party or the consummation by such party of the transactions contemplated hereby in accordance with the terms and conditions hereof (i) will conflict with, violate or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any Governmental Authority applicable to such party or any of its Subsidiaries, (ii) will conflict with, violate, result in a breach of or constitute a default under any of the terms, conditions or provisions of the certificate or articles of incorporation, bylaws or partnership agreement (or other governing documents) of such party or any of its Subsidiaries, (iii) will conflict with, violate, result in a breach of or constitute a default under any of the terms, conditions or provisions of any material agreement or instrument to which such party or any of its Subsidiaries is a party or by which such party or any of its Subsidiaries is or may be bound or to which any equity interest held by such party in any other entity or any of its other material properties or assets is subject, (iv) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any interests or rights or require any consent, authorization or

approval under any indenture, mortgage, lease agreement or similar instrument to which such party or any of its Subsidiaries is a party or by which such party or any of its Subsidiaries is or may be bound, (v) will result in the creation or imposition of any Lien upon any asset held by such party that is transferred to Liberty Media Group LLC pursuant to this Agreement or (vi) will result in the creation or imposition of any Lien upon any of the other material properties or assets of such party or any of its Subsidiaries, other than Permitted Liens.

ARTICLE IV

COVENANTS OF THE PARTIES

Each of the parties hereby agrees and covenants as follows:

Section 4.1. Cooperation. Between the date of the occurrence of any Triggering Event and the Closing (or, if later, the contribution of the applicable Liberty Media Group Asset to Liberty Media Group LLC pursuant to Section 2.7 or 2.8), the parties shall cooperate with each other in their efforts to obtain all necessary consents and approvals for the consummation of the transactions contemplated hereby, including making qualified personnel available for attending hearings and meetings respecting such required consents. Without limiting the generality of the foregoing, each party shall use its best efforts (i) to obtain all consents and authorizations of third parties and Governmental Authorities and to make all filings with and give all notices to third parties and Governmental Authorities which may be necessary or reasonably required in order to effect the transactions contemplated hereby and (ii) to provide the other parties and their respective counsel with copies of all such filings made and all such notices given as such other parties may reasonably request and to afford the other parties the opportunity to participate in any discussions with any such third party or Governmental Authority or representative thereof in connection with the transactions contemplated hereby to the extent reasonably requested by any other party hereto. Subject to the other provisions of this Section 4.1, the parties hereto will not take any action that will have the effect of delaying, impairing or impeding the receipt of any required approvals or consents. Without limiting the applicability of any other provision hereof, Liberty Management and Liberty Media Group LLC shall be afforded the opportunity by Liberty Media Corporation and Stockholder, if applicable, to be involved in the process of obtaining required consents from Governmental Authorities or other third parties, including participation with Liberty Media Corporation and Stockholder, if applicable, in the analysis of the correct procedures to be followed (A) to obtain such consents and (B) in the initiation, negotiation and prosecution of obtaining such consents from Governmental Authorities or other third parties.

Section 4.2. Conduct of Business Prior to the Closing Date. During the period from the date hereof to the Closing Date (or as to any applicable Liberty Media Group Asset, the applicable date of contribution of such asset pursuant to Section 2.7 or 2.8), except as permitted or otherwise contemplated by this Agreement, Liberty Media Corporation and Stockholder will not, without the consent of Liberty Media Group LLC (which shall not be unreasonably withheld), enter into any agreement that is in conflict with the terms of this Agreement and Liberty Media Corporation and each Person included in the Additional Liberty Media Group Assets will use its commercially reasonable efforts to preserve the current relationships of Liberty Media Corporation and such Person with its customers, suppliers and other Persons with which it has significant business relationships and to keep available the services of its key employees. During the period from the occurrence of a Triggering Event to the Closing Date, except as permitted or otherwise contemplated by this Agreement or consented to in writing by Liberty Media Group LLC (or as approved by a majority of the Incumbent Directors of Liberty Media Corporation prior to the occurrence of a Triggering Event), Liberty Media Corporation will not take, or commit to take, any of the following actions (and Stockholder will not permit any Person included in the Additional Liberty Media Group Assets to take or commit to take any such action):

(i) amend its charter documents or bylaws;

(ii) merge or consolidate, or obligate itself to do so, or to be liquidated or dissolved;

(iii) issue or sell any shares of capital stock, partnership interests, participations or other equity or ownership interests or any rights relating to any of the foregoing; *provided* that in the ordinary course of business, Liberty Media Corporation may incorporate new wholly owned subsidiaries for the purpose of the operation of its business as presently conducted or proposed to be conducted;

(iv) enter into any new lines of business outside of the business as conducted or proposed to be conducted at such time;

(v) conduct its business other than in a manner consistent with past practices or enter into any material transactions outside the ordinary course of business (as such business is presently conducted or proposed to be conducted);

(vi) change its accounting methods, principles or practices in any material respect;

(vii) declare, set aside or pay any dividend or equity distribution (whether in cash, stock, property or any combination thereof) in respect of its capital stock;

(viii) (A) establish any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing or other employee benefit plan, or materially increase the compensation payable or to become payable to any officers or employees, except in any case in the ordinary course of business consistent with past practice or as may be required by law, or (B) establish or increase any stock option, unit appreciation, stock purchase or other equity-based plan;

(ix) incur any indebtedness for borrowed money, except in the ordinary course of business;

(x) enter into, or make any offers to enter into, any partnership or joint venture with any third party if any consent of any Person is required (that has not been obtained in connection with the formation of such new partnership or joint venture) in order to effect the transfer of the interest in such partnership or joint venture to Liberty Media Group LLC pursuant to this Agreement;

(xi) transfer or lease to any third party any assets used in connection with its operations, except for any such transfer or lease (a) made in the ordinary course of business consistent with past practice or (b) with respect to which such assets have been or will be replaced with assets of at least equal value performing comparable functions; or

(xii) except as specifically provided for by the Firewall Agreement, enter into any transactions with Parent or its Affiliates that are not on terms as least as favorable to Liberty Media Corporation (or such Person included in the Additional Liberty Media Group Assets) as could be obtained from an unaffiliated third party.

Section 4.3. *Avoidance of Certain Adverse Effects.* The parties shall use their best efforts to effect the transfer of the Liberty Media Group Contributed Assets to Liberty Media Group LLC in such a form as to (a) avoid or limit the adverse impact of such transfer on any agreements to which Liberty Media Corporation or any Person included in the Additional Liberty Media Group Assets is a party and (b) avoid or minimize the consents and approvals required to effectuate such Transfer.

ARTICLE V
CONDITIONS TO CLOSING

Section 5.1. Conditions Precedent to Closing. The obligations of each of the parties under this Agreement to effect the transactions contemplated to occur at the Closing are subject to the satisfaction, on or prior to the Closing Date of the following conditions, compliance with which or the occurrence of which may be waived in whole or in part by the other parties hereto.

(a) Consents. Subject to Section 2.7, each consent, authorization or approval required to be obtained in connection with the consummation of the transactions contemplated to occur at the Closing

shall have been obtained on or prior to the Closing Date, except for any of the foregoing the failure of which to obtain would not, individually or in the aggregate, (i) have a Material Adverse Effect on any party to this Agreement or (ii) have a Material Adverse Effect on Liberty Media Group LLC following the consummation of the transactions contemplated by this Agreement.

(b) No Injunction. No preliminary or permanent injunction or other order, decree or ruling issued by a Governmental Authority, nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Authority shall be in effect, in any case that enjoins or delays in any material respect the consummation of the transactions to be effected at such Closing or imposes any material restrictions or requirements thereon or on any of the parties in connection therewith.

ARTICLE VI
CLOSING

Section 6.1. Closing.

The Closing will take place at the offices of Baker & Botts, L.L.P., 599 Lexington Avenue, New York, New York, at 10:00 a.m. (local time at the place of Closing) on the tenth Business Day after the satisfaction of all conditions set forth in Section 5.1 (subject to Section 2.7), or at such other location or on such other date or time as the parties hereto shall agree.

ARTICLE VII
TERMINATION

Section 7.1. Termination.

(a) This Agreement shall be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing only:

(i) by mutual written consent of all of the parties;

(ii) upon the consummation of the redemption of all (but not merely substantially all) outstanding shares of Liberty Media Group Common Stock in exchange for shares of the Liberty Media Group Subsidiary pursuant to Paragraph 5(a) of Part B of Article Third of the Parent Charter; or

(iii) upon the consummation of the redemption of all (but not merely substantially all) of the outstanding shares of the Liberty Media Group Common Stock pursuant to Paragraph 5(b)(ii)(A) of Part B of Article Third of the Parent Charter.

(b) If this Agreement is terminated in accordance with this Section 7.1, then this Agreement shall become null and void and have no further effect, without any liability of any party to any other party, except that the obligations of the parties pursuant to Section 8.4 shall survive the termination of this Agreement indefinitely.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Notices. Except as expressly provided herein, all notices, consents, waivers and other communications required or permitted to be given by any provision of this Agreement shall be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested) or sent by hand or overnight courier, or by facsimile transmission (with acknowledgment received), charges prepaid and addressed to the intended recipient as follows, or to such other address or number as such Person may from time to time specify by like notice to the parties:

(a) If to Liberty Media Corporation:

Telecopy:
Attention:

with a copy to:

Telecopy:
Attention:

(b) If to Liberty Management or Liberty Media Group LLC:

Telecopy:
Attention:

with a copy to:

Telecopy:
Attention:

(c) If to Stockholder:

Telecopy:
Attention:

with a copy to:

Telecopy:
Attention:

Any party may from time to time specify a different address for notices by like notice to the other parties. All notices and other communications given to a Person in accordance with the provisions of this Agreement shall be deemed to have been given and received (i) four Business Days after the same are sent by certified or registered mail, postage prepaid, return receipt requested, (ii) when delivered by hand or transmitted by facsimile (with acknowledgment received and, in the case of a facsimile only, a copy of such notice is sent no later than the next Business Day by a reliable overnight courier service, with acknowledgment of receipt) or (iii) one Business Day after the same are sent by a reliable overnight courier service, with acknowledgment of receipt.

Section 8.2. Binding Effect. Except as otherwise provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted transferees, and permitted assigns.

Section 8.3. Construction. This Agreement shall be construed simply according to its fair meaning and not strictly for or against any party.

Section 8.4. Expenses. Except as contemplated by Section 2.9 of this Agreement, each of the parties shall bear the fees and expenses relating to its compliance with the various provisions of this Agreement, and each of the parties agrees to pay all of its own expenses (including all legal and accounting fees) incurred in connection with this Agreement, the transactions contemplated hereby, the negotiations leading to the same and the preparation made for carrying the same into effect.

Section 8.5. Table of Contents; Headings. The table of contents and section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement.

Section 8.6. Governing Law. The validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties shall be governed by the internal laws of the State of New York without regard to principles of conflict of laws.

Section 8.7. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal, invalid or unenforceable for any reason whatsoever, that term or provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and such illegality, invalidity or unenforceability shall not affect the validity, legality or enforceability of the remainder of this Agreement. If necessary to effect the intent of the parties hereto, the parties hereto will negotiate in good faith to amend this Agreement to replace the unenforceable language with enforceable language which as closely as possible reflects such intent.

Section 8.8. Amendments. This Agreement may be modified or amended only by a written amendment signed by Persons authorized to so bind each party hereto.

Section 8.9. Assignment. No party shall assign any of its rights under this Agreement or delegate its duties hereunder unless it obtains the prior written consent of the other parties hereto, which consent may be withheld at such party's absolute discretion.

Section 8.10. Waivers; Remedies. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party or parties entitled to enforce such term, but any such waiver shall be effective only if in a writing signed by the party or parties against which such waiver is to be asserted. Except as otherwise provided herein, no failure or delay of any party hereto in exercising any power or right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

Section 8.11. Consent to Jurisdiction; Specific Performance.

(a) Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court sitting in the County of New York or any Federal court of the United States of America sitting in the Southern District of New York, and any appellate court from any such court, in any suit, action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court.

(b) Each party hereto irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State court sitting in the County York or any Federal court sitting in the Southern District of New York. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

(c) Each party hereto irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this Agreement; provided that such service shall be deemed to have been given only when actually received by such party. Nothing in this Agreement shall affect the right of a party to serve process in any other manner permitted by law.

(d) Each party hereto agrees with the other parties that the other parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, in addition to any other remedy to which the nonbreaching parties may be entitled, at law or in equity, the nonbreaching parties shall be entitled to injunctive relief to prevent breaches of this Agreement and specifically to enforce the terms and provisions hereof.

Section 8.12. *Waiver of Jury Trial.* Each party hereto waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this Agreement.

Section 8.13. *Further Assurances.* Upon reasonable request from time to time, each party hereto shall execute, acknowledge and deliver any documents and perform all further acts that may be reasonably necessary, appropriate or desirable to carry out the intent and purposes of this Agreement.

Section 8.14. *Counterparts.* This Agreement may be executed in any number of counterparts, any one or more of which may bear facsimile signatures, with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

Section 8.15. *Limitation on Rights of Others.* Nothing in this Agreement, whether express or implied, shall be construed to give any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

LIBERTY MEDIA CORPORATION

By: _____
Name:
Title:

LIBERTY MANAGEMENT, LLC

By: _____
Name:
Title:

LIBERTY MEDIA GROUP LLC

By: _____
Name:
Title:

LIBERTY VENTURES LLC

By: _____
Name:
Title:

EXHIBIT 2.05

LIMITED LIABILITY COMPANY AGREEMENT

OF

LIBERTY MEDIA GROUP LLC

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OF
LIBERTY MEDIA GROUP LLC

This Limited Liability Company Agreement (this "*Agreement*") of Liberty Media Group LLC (the "*Company*"), dated and effective as of , 1999, is entered into among Liberty Media Corporation, a Delaware corporation ("*Liberty Media Corporation*"), Liberty Management LLC, a Delaware limited liability company ("*Liberty Management*"), and Liberty Ventures LLC, a Delaware limited liability company ("*Stockholder*").

WHEREAS, the Members (as defined herein) desire to form a limited liability company pursuant to the Delaware Limited Liability Company Act (6 Del.C. § 18-101, *et seq.*), as amended from time to time (the "*Delaware Act*"); and

WHEREAS, on , 1999, a certificate of formation was filed on behalf of the Members with the Secretary of State of the State of Delaware relating to the formation of the Company;

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby form a limited liability company pursuant to and in accordance with the Delaware Act, as provided herein, and hereby agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 *Definitions.* Unless the context otherwise requires, the terms defined in this Article I shall, for the purposes of this Agreement, have the meanings herein specified.

"*Adjusted Capital Account Deficit*" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is deemed to be obligated to restore pursuant to the penultimate sentence of either of Treasury Regulation §§ 1.704-2(g)(1) or 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Treasury Regulation §§ 1.704-1 (b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"*Affiliate*" shall mean, with respect to any Person, any direct or indirect subsidiary of such Person, any other Person that directly or through one or more intermediaries, is controlled by, or is under common control with, the specified Person, and, if such a Person is an individual, any member of the immediate family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any person who is controlled by any such member or trust. As used in this definition, the term "*control*" (including with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies, whether through ownership of securities or partnership or other ownership interests, by contract or otherwise. Notwithstanding the foregoing, for purposes of this Agreement, Liberty Management and its Subsidiaries shall not be deemed to be Affiliates of the Company or

its Subsidiaries or of Parent or its Subsidiaries (including Liberty Media Corporation) and Parent and its Subsidiaries shall not be deemed to be Affiliates of the Company or its Subsidiaries or of Liberty Management or its Subsidiaries.

"*Agreement*" shall have the meaning set forth in the recitals hereof.

"*Assign*" and "*Assignment*" shall have the meanings set forth in Section 13.1 hereof.

"*Capital Account*" shall mean, with respect to any Member, the account maintained for such Member in accordance with the provisions of Section 6.3 hereof.

"*Capital Contribution*" shall mean, with respect to any Member, the aggregate amount of cash and the initial Gross Asset Value of any property (other than cash) contributed to the Company pursuant to Section 6.1 hereof by such Member, net of any liabilities of such Member that are assumed by the Company in connection with such contribution or that are secured by property so contributed, and shall include the Initial Capital Contribution and any Subsequent Capital Contribution of such Member.

"*Certificate*" shall mean the Certificate of Formation of the Company and any and all amendments thereto and restatements thereof filed on behalf of the Company with the office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any corresponding United States federal tax statute enacted after the date of this Agreement. A reference to a specific section (§) of the Code refers not only to such specific section but also to any corresponding provision of any United States federal tax statute enacted after the date of this Agreement, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Agreement containing such reference.

"*Company*" shall have the meaning set forth in the preamble hereto.

"*Company CEO*" shall have the meaning set forth in Section 5.2 hereof.

"*Company Minimum Gain*" shall mean "partnership minimum gain" of the Company within the meaning of Treasury Regulation § 1.704-2(b)(2) and shall be computed in accordance with Treasury Regulation § 1.704-2(d).

"*Contribution Agreement*" shall mean that certain Contribution Agreement, dated as of the date hereof, by and among the Company, Liberty Media Corporation, Stockholder and Liberty Management.

"*Covered Person*" shall mean any Member, Officer or the Manager of the Company or their respective Affiliates.

"*Delaware Act*" shall have the meaning set forth in the preamble hereof.

"*Depreciation*" shall mean, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period; *provided, however*, that, if the Gross Asset Value of an asset differs from its adjusted basis for United States federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the United States federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such Fiscal Year or other period bears to such beginning adjusted tax basis; and *provided, further*, that if the United States federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any

reasonable method selected by the Members; and *provided, further*, that with respect to any goodwill that is not amortizable under the Code, there shall be no Depreciation.

"*Distributions*" shall mean distributions of cash or other property made by the Company with respect to the Members' Interests. Distribution shall not mean payments of cash or other property to Members for reasons other than their ownership of such Interests.

"*Economic Risk of Loss*" shall have the meaning set forth in Treasury Regulation § 1.752-2.

"*Firewall Agreement*" means the agreements referred to in Sections 7.14 and 7.18 of the Merger Agreement.

"*Fiscal Year*" shall mean (a) the period commencing upon the date of this Agreement and ending on December 31, 1999, (b) any subsequent twelve-month period commencing on January 1 and ending on December 31, (c) any other twelve-month period required by the Code or the Treasury Regulations to be used as the taxable year of the Company or (d) any portion of the periods described in clauses (a), (b) or (c) of this sentence for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Article VII hereof.

"*GAAP*" means generally accepted accounting principles in the United States.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Gross Asset Value*" means, with respect to any asset, such asset's adjusted basis for United States federal income tax purposes, except as follows:

(b) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by mutual agreement of the Members (or, in the case of assets contributed pursuant to the Contribution Agreement, determined in accordance with the provisions of the Contribution Agreement);

(c) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) immediately prior to the acquisition of an additional Interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) immediately prior to the distribution by the Company to a Member of more than a *de minimis* amount of Company assets in redemption of an Interest or portion thereof in the Company; and (iii) the liquidation of the Company within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(g); *provided, however*, that adjustments pursuant to clauses (i) and (ii) of this sentence shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company; and

(d) the Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as determined by the Manager.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (a) or paragraph (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"*Interest*" means the Member's limited liability company interest in the Company which represents such Member's share of the profits and losses of the Company and the Member's right to receive distributions of the Company's assets in accordance with the provisions of this Agreement and the Delaware Act.

"*Initial Capital Contributions*" shall have the meaning set forth in Section 6.1 hereof.

"*Liberty Management*" shall mean Liberty Management LLC, a Delaware limited liability company, and any successor (by merger, consolidation, transfer or otherwise) of all or substantially all of the assets of Liberty Management LLC.

"*Liberty Media Corporation*" shall mean Liberty Media Corporation, a Delaware corporation, and any successor (by merger, consolidation, transfer or otherwise) of all or substantially all of the assets of Liberty Media Corporation.

"*LLC Taxable Income*" shall mean the taxable income of the Company, determined in accordance with Section 703(a) of the Code (but including, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code).

"*Manager*" shall have the meaning set forth in Section 5.1 hereof.

"*Member*" shall mean any Person named as a member of the Company on Schedule A hereto and includes any Person who acquires an Interest pursuant to the provisions of this Agreement.

"*Member Minimum Gain*" means an amount, with respect to each Member Nonrecourse Liability, determined in accordance with Treasury Regulation § 1.704-2(i)(3).

"*Member Nonrecourse Deductions*" shall mean "partner nonrecourse deductions" within the meaning of Treasury Regulation §§ 1.704-2(i)(1) and 1.704-2(i)(2).

"*Member Nonrecourse Liability*" shall mean "Partner nonrecourse debt" or "partner nonrecourse liability" within the meaning of Treasury Regulation § 1.704-2(b)(4).

"*Merger Agreement*" means that certain Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998, among Parent, Italy Merger Corp. and Tele-Communications, Inc.

"*Mr. Malone*" means John C. Malone, a resident of the State of Colorado.

"*Officers*" means those Persons appointed by the Manager to manage the day-to-day affairs of the Company pursuant to Section 5.2 hereof.

"*Parent*" shall mean AT&T Corp., a New York corporation, and any successor (by merger, consolidation, transfer or otherwise) of all or substantially all of the assets of AT&T Corp.

"*Parent Charter*" means the Certificate of Incorporation of Parent, as amended as contemplated by the Merger Agreement.

"*Percentage Interest*" of a Member means, with respect to any Member as of any relevant date, the ratio (expressed as a percentage rounded to the nearest one-hundredth of one percent) of the sum of such Member's Capital Contributions as of such date to the sum of the aggregate Capital Contributions of all Members as of such date.

"*Person*" includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization.

"*Profits*" and "*Losses*" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with § 703(a) of the Code (but including in taxable